

# Dry Beans

## Production Up 41 Percent

The estimate of 2002 U.S. dry edible bean production has increased since the initial August crop forecast. Output of all classes is currently estimated at 27.6 million cwt—up 41 percent from the short crop of a year earlier. National yield was estimated to be 16.32 cwt—up 4 percent from a year earlier but 1 percent below the ERS trend (1960-2001) forecast. Output will likely rise for most classes with the exception of garbanzo, blackeye, and Great Northern. Estimated production by class will be released by USDA on December 10.

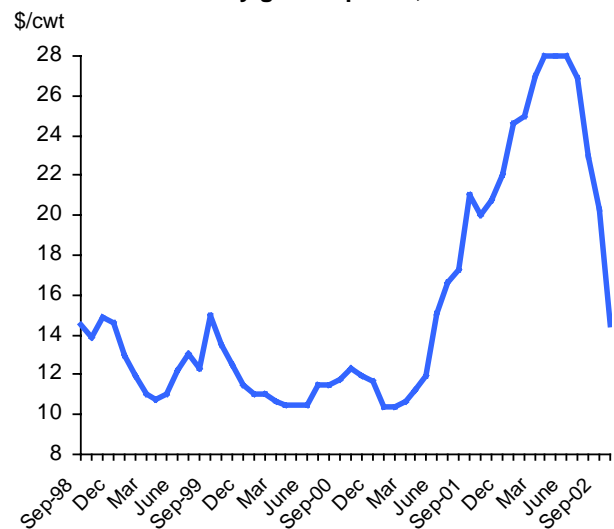
## Prices Decline As Supply Increases

With the October crop estimate reinforcing August's production forecast, dry bean prices at all levels of the marketing chain continued to decline as the new harvest replenished pipelines, warehouses, and elevators. The 2002/03 season opened with the preliminary industry aggregate grower price (\$17.80/cwt) estimated to be 2 percent below a year earlier. Although prices have dropped for most classes, the greatest downward price pressure has been on black, navy, and pinto beans, with output for these classes expected to rise substantially.

A few classes could see higher prices in 2002/03. Drought-reduced yields in Texas have strengthened prices for blackeyes while a smaller Great Northern crop in Nebraska has allowed prices to remain 15 to 20 percent above year-earlier levels. A smaller garbanzo/chickpea crop in the U.S. and weather-reduced/damaged output in Canada will likely combine with stronger exports to help strengthen prices, which have been sliding lower for several years as growth in supply has outpaced demand.

Figure 5

Pinto beans: Monthly grower prices, 1998-2002



Source: North Dakota/Minnesota prices reported by AMS, USDA.

Table 10--U.S. dry beans: Export volume by class

	Sep-Aug	September-August		Percent
Item	2000	2001	2002	change
	--Million pounds--			Percent
Pinto	141.8	205.1	157.2	-23
Navy	148.2	198.4	139.0	-30
Great Northern	84.2	111.9	107.1	-4
Black	61.9	62.0	45.0	-27
Light-red kidney	18.7	36.4	24.6	-32
Dark-red kidney	44.5	34.0	19.7	-42
Baby lima	29.6	21.7	24.1	11
Garbanzo	34.5	62.3	53.0	-15
Small red	21.5	15.1	9.2	-39
Others	171.3	132.8	92.2	-31
All classes	756.3	879.7	671.0	-24

Source: Bureau of the Census, USDC.

Table 9--U.S. monthly grower prices for selected dry bean classes, 2001-2002

Commodity	2001			2002			2001-02 Change		
	July	August	Sept.	July	August	Sept.	July	August	Sept.
--- Cents per pound ---									
All dry beans	16.80	17.40	18.10	25.60	23.40	17.80	52.4	34.5	-1.7
Pinto	16.60	17.25	21.00	26.90	23.00	20.25	62.0	33.3	-3.6
Navy (pea bean)	12.50	13.50	18.25	18.20	17.00	13.75	45.6	25.9	-24.7
Great Northern	15.10	16.13	16.50	17.20	19.00	19.88	13.9	17.8	20.5
Black	17.20	17.50	25.75	33.38	--	14.00	94.1	--	-45.6
Light red kidney	19.00	19.38	21.00	27.00	27.00	22.00	42.1	39.3	4.8
Dark red kidney	18.80	19.50	20.25	29.00	--	20.33	54.3	--	0.4
Small red	16.40	16.50	18.50	25.50	25.50	20.67	55.5	54.5	11.7
Baby lima	22.60	23.63	24.00	37.00	37.00	31.75	63.7	56.6	32.3
Large lima	32.70	33.13	33.50	41.00	41.00	40.88	25.4	23.8	22.0
Blackeye	24.00	24.06	25.13	28.50	28.50	29.75	18.8	18.5	18.4
Pink	16.50	16.50	19.25	25.50	25.50	20.67	54.5	54.5	7.4

Source: *Bean Market News*, AMS, USDA.

## Prices Rising With Lower World Output

The first USDA estimate of 2002 dry pea and lentil production will be published in the [Crop Production](#) report on November 12. However, it appears that production of dry peas was above a year ago while lentil and chickpea output was reduced. With the exception of Austrian winter peas, prices for most markets are rising due to anticipation of greater world demand for U.S. crops. This is largely the result of production shortfalls, especially in Canada—the leading exporter of dry peas and lentils. U.S. dry pea and lentil prices have been moving higher during the first few months of the 2002/03 season.

The U.S. dry pea market could experience its best price performance since 1996/97 when yields were slashed 45 percent to the lowest levels in 2 decades. This October, wholesale (dealer) prices for whole dry green peas were running 35 percent above a year earlier the highest since 1996/97. Lentil prices are also rising, with dealer prices for regular lentils the highest since 1997/98. If these price trends hold throughout the marketing year, U.S. dry pea and lentil growers should see an increase in farm cash receipts over the \$60 million of a year ago.

Given reduced world supplies, increased humanitarian food demand, and a larger U.S. dry pea crop, U.S. pea and lentil export volume is expected to continue at-or-above that experienced during the past

season. Although higher prices could deter some commercial sales, export value is expected to rise in 2002/03.

## Market Prices Above Loan Rates

The USDA posted county price (PCP) for all dry peas (U.S. number 1 grade) have remained at \$7.00/cwt since they were first posted in early September. With the dry pea loan rate set at \$6.33/cwt, there have been no loan deficiency payments (LDP). Like the loan rates, the PCPs for peas and lentils apply nationwide. Until USDA's Farm Services Agency can gather and analyze the required regional data, loan rates and PCPs will remain the same for all regions.

There have also been no LDPs for small chickpeas (desi and kabulis that fall through a 20/64 inch grading screen). Since the LDP program began operating in early September, the PCP has remained at \$9.50/cwt—well above the National loan rate of \$7.56/cwt.

For lentils, the PCP has risen from \$10.50 in early September to \$12.00 the first 2 weeks of October. Thus, lentils offered an LDP of \$1.44/cwt the week of September 6, \$0.94/cwt the week of September 13, and \$0.44 during September 20 to October 3. Since October 4, the LDP has been zero as the PCP has been above the loan rate. Since U.S. pea and lentil markets remain bullish, no further LDPs are expected this season.

Table 11--U.S. monthly dealer and grower prices for dry peas and lentils, 2001-2002

Commodity	2001			2002			2001-02 Change		
	July	August	Sept.	July	August	Sept.	July	August	Sept.
--- Cents per pound ---									
<i>Dealer prices:</i>									
Green peas, whole	9.75	9.50	9.63	10.85	10.75	11.21	11.3	13.2	16.4
Yellow peas, whole	9.75	9.55	9.50	11.85	11.06	11.00	21.5	15.8	15.8
Green peas, split	12.19	11.85	11.88	13.55	13.41	14.17	11.2	13.2	19.3
Yellow peas, split	12.19	11.85	11.88	14.25	13.54	14.00	16.9	14.3	17.8
Lentils, brewer	13.44	13.30	13.88	13.38	13.47	15.79	-0.4	1.3	13.8
Lentils, pardina	11.72	12.00	12.38	13.00	13.06	14.79	10.9	8.8	19.5
Austrian winter peas	--	16.75	16.75	--	14.00	14.67	--	-16.4	-12.4
<i>Grower prices:</i>									
Green peas, whole	6.25	6.19	6.25	7.28	7.13	7.33	16.5	15.2	17.3
Yellow peas, whole	6.25	6.19	6.19	7.33	6.50	6.75	17.3	5.0	9.0
Lentils, brewer	9.78	9.84	9.81	9.40	9.50	11.08	-3.9	-3.5	12.9
Austrian winter peas	10.00	10.50	11.00	11.00	9.00	9.79	10.0	-14.3	-11.0

-- = not available. Source: Simple average of weekly data from *Bean Market News*, AMS, USDA.